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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

DASS, HARISH T

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3693

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 09/586,881	Applicant(s) BARKAN, MORDHAY	
	Examiner Harish T. Dass	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 February 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 35-47 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 35-47 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claims 1-34 are canceled

Claim Rejections - 35 USC § 112

1. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 35-47 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 35 and 41 state that "the third party is not part of the communication" is vague.

In preamble the service provide is the third party and the limitation and applicant's remarks contradicts the preamble. If the service provider is not part of the communication than there is no communication between the seller and buyer, or describe how does this work, for example, if the Internet service provider server is not connected, then there is not connection between the buyer to any other service. Applicant is requested to clearly define the service provide (for example internet provide, token provider, token issuer, etc) and third party (service provider, token issuer, etc) based on the specification. Applicant should add any missing steps or limitation to over come this rejection and narrow the limitation to what the applicant views as his invention.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 35-37 and 41-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hill (US 6,236,981) in view of Krsul et al. (hereinafter Krsul – US 5,839,119).

Re. Claim 35, Hill discloses acquiring by a user of digital tokens from the digital tokens issuer and storing the digital tokens [C2 L2 to C4 L44; C5 L15-24, C5 L31-41; C8 L1-L17], and

canceling the used digital tokens (cleared tokens – when the tokens are cleared in broadcast since they are canceled and in database either a flag is set or the record is removed to assure no one can resubmit them), that are being used by the user according to computerized predefined criteria [Figure 10; C8 L18-31; C9 L6-L8, C9 L44-L67; C12-L8-L48; C13 L3-L6].

Hill does not explicitly disclose using digital token issued by a digital token issuer by computerized means, during a digital communication between a user and second party, while the third party is not part of the communication, and user's tokens database and the user uses the service provided by the third party.

Phone cards are well-known which are purchases from any vendor and used by public, where the vendor is not part of communication or any transaction between the caller and the calling party when the user (telephone caller) uses the phone call to make calls and deals with receiving (call receiving) party. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Hill and add where the vendor (calling card issuer/vendor – third party) are not part of communication to preserve the communication security between the calling and receiving parties.

However Krsul discloses using digital token issued by a digital token issuer by computerized means, during a digital communication between a user and second party, while the third party is not part of the communication, and user's tokens database and the user uses the service provided by the third party [see col. 1 lines 20-22 (off-line payment), lines 42-52 (internet); col. 2 lines 18-23 (financial service provider; generating electronic monetary tokens), lines 35-37 (receipt of electronic token ...); col. 3 lines 18-28 (see "communication system ... allowing buyers and sellers within the system to engage in many electronic micro-transactions off-line of a financial services provider"); col. 9 lines 29-40 (off-line Micro-transaction); col. 8 lines 32-45 & col. 11 lines 17-30 (database)] to allow the buyer and seller to engage in transaction with out the involvement of the financial service provider and preventing double spending. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Hill and include engaging a digital communication between a user and a second party, where the third party does not take part in the

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communication, as disclosed by Krsul, to allow transaction between buyers and sellers to engage in transaction offline without participation of the financial service provider.

Re. Claim 36, Hill discloses wherein the digital tokens can be in different predefined values [C5 L31-L41; C12 L48-L67].

Re. Claim 37, Hill discloses wherein the digital tokens are cryptography protected from fraud [C2 L33-L35, C2 L52-L63].

Re. Claim 41, Hill discloses the user sends to the second party a report including information relating to the digital token used and canceled by the user while using the service for which a payment by digital tokens was required [figure C3 L13-L28; C4 L28-L33; C5 L12-L15; C6 L3-L60],

the second party maintains a database of previous reports relating to digital tokens used in the past, and the report received in step (a) is added to the database [C57-L76];

the second party compares the information received in step (a) with previous reports for the same user (verify) [C6 L33-L50], and if the comparison detects a violation of the rules for the use of digital tokens [C6 L48 to C7 L23], then the second party performs one or more of: stores that information, displays a violation report, reports that to the digital tokens issuer, sends a note to the user of such digital token [C11 L5061; C12 L15-L45].

Hill does not explicitly disclose engaging a digital communication between a user and a second party, where the third party does not take part in the communication. However Krsul discloses engaging a digital communication between a user and a second party, where the third party does not take part in the communication [see col. 1 lines 20-22 (off-line payment), lines 42-52 (internet); col. 2 lines 18-23 (financial service provider; generating electronic monetary tokens), lines 35-37 (receipt of electronic token ...); col. 3 lines 18-28 (see "communication system ... allowing buyers and sellers within the system to engage in many electronic micro-transactions off-line of a financial services provider"); col. 9 lines 29-40 (off-line Micro-transaction)] to allow the buyer and seller to engage in transaction with out the involvement of the financial service provider and preventing double spending. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Hill and include engaging a digital communication between a user and a second party, where the third party does not take part in the communication, as disclosed by Krsul, to allow transaction between buyers and sellers to engage in transaction offline without participation of the financial service provider.

Re. Claim 42, Hill discloses wherein in step (b) the second party maintains a database of previous reports relating to digital tokens used in the past by the user [C14 L40-L48].

Re. Claim 43, Hill discloses wherein in step (b) the second party maintains a database of previous reports relating to digital tokens used in the past by a plurality of other users [C14 L40-L48; C9 L9-L67].

Re. Claim 44, Hill discloses wherein in step (b) the database of previous reports is being updated to include the latest reports, and the oldest reports are deleted there from [C12 L34-L45; C10 L64 to C11 L7].

Re. Claim 45, Hill disclose wherein in step (d) one of the rules for use of digital tokens is that no digital token is allowed to be used twice (prevent double spending) [C12 L8-L27].

Re. Claims 46-47, neither Hill nor Krsul explicitly discloses wherein in step (d) one of the rules for use of digital tokens is that the serial number of successive digital tokens should be in ascending order, and wherein in step (d) one of the rules for use of digital tokens is that the serial number of issued digital tokens should correspond to a digital document or digital permit issued by third party. However these are business choice and an easy way to administer the used, stolen, lost and damaged digital tokens. For example, American Express issues traveler checks in different denomination values and serial numbers in ascending orders, which are assigned to customer. When customer uses a check and gives it to vendor he/she logs the check number serially in log sheet or in case a check is lost by customer or vendor, it can be reported to American Express

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by user ID and traveler check serial number which makes it easier for user/vendor as well as American Express to update their list. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to modify disclosures Hill and Krsul and include serial number of successive tokens should be in ascending order to provide better accounting and management.

Claims 38-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hill in view of Krsul, as applies to claim 41 above, and further in view of Business wire "Subscriber Computing Inc. Installs Real-Time Information System Suite For Douglas Telecommunications Inc.", Nov. 19, 1997 (hereinafter Subscriber).

Re. Claims 38-40, neither Hill nor Krsul explicitly discloses wherein the digital tokens can be generated by the user himself according to special and secure digital permit from the digital tokens issuer and according to predefined criteria in different predefined values, wherein the service can be the usage of predefined software package that is in the user's possession, and wherein the service can be the usage of wireless resources or any other digital communication means to another user, while the collecting payment party is not involved in the communication. However, Subscriber discloses these steps [see entire document 3 pages; (licensees) (cellular solution) (software-based prepaid metered billing solution)] to provide license to users (carriers) for using Prepay service. Further software licensing is known, for example, Informix database is licensed to large companies, where they (companies) incorporate Informix database to their product and

sell it to others. It would have been obvious to one of ordinary skill in the art at the time the Applicant's invention was made to combine disclosures Hill and Krsul, and Subscriber to allow user (carriers) to provide prepaid digital token service in response to competitive issues.

Response to Arguments

3. Applicant's arguments, filed on 2/6/2007, with respect to pending claims have been considered but are moot in view of the new ground(s) of rejection.

In response to applicant's remark that "Hill requires one or both of the buyer and seller to maintain an active connection ..." See secondary reference (office action paper number 20061113 page 3), secondary reference provides feature where the financial service is not connected when the buyer is buying goods offline from the seller (col. 1 lines 20-21, 39-40).

In response to applicant's remark that "Krsul method requires that the buyer is restricted to using the token halves with specified seller ...". Primary reference discloses token (see paper number 20061113 page 1). Further, Krsul (col. 1 lines 10-60), discloses that the digital cash (token) model were known and Krsul solves the problem of token security by splitting the tokens to token halves.

In response to applicant's remark that "tokens are not canceled but rather they are destroyed ...". It is responded in response to the claim.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Harish T Dass
Examiner
Art Unit 3693

Harish T Dass

4/30/07